



Arabian Institute For Training

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# The 3 Phases of Contract Management

## INTRODUCTION

- A major portion of every organization's operating cost is spent on outside goods and services. Based on this fact, executive management everywhere is determining that Procurement and Contracts must emerge as a core competency of all those involved in the acquisition of equipment, materials, and services if organizations are to lower operating cost and improve productivity.
- The 3 Phases of Contract Management training course is designed to explore many of the best practices in the three major phases of the contract life cycle: Pre-Contract, Contract Execution, and Post Award.

Included in the vast number of topics that brings increased professionalism and high standards to these important activities are:

- Elements of a good procurement and competitive bidding process
- The strategic role of procurement and contracts
- Types of contracts & contract strategies
- Developing tender evaluation criteria
- Contract terms and conditions
- Evaluating pricing
- Negotiation preparation

## PROGRAMME OBJECTIVES

- Learn how to set and maintain high standards in procurement
- Be given the elements of good procurement process
- Develop methods of applying Total Cost of Ownership
- Learn methods of tender evaluation
- Review contract strategies
- See examples of important contract clauses
- Explore issue of successful contract administration
- Understand remedies in case of breach of contract and standard approaches to claims and dispute resolution

## WHO SHOULD ATTEND?

- Project, Contracts, and Procurement Personnel
  - Engineering, Operational, and Maintenance Personnel
  - And all others who are involved in the planning, evaluation, preparation and management of tenders, specifications, awards, and contracts that cover the acquisition of materials, equipment, and services and who are in organizations whose leadership want high levels of competency in those involved in these activities
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## TRAINING METHODOLOGY

- Participants will increase competencies through a variety of instructional methods including lecture by an experienced practitioner and consultant, exercises, cases, and group discussions covering current practices and their relationship to the implementation of new concepts.

## PROGRAMME SUMMARY

- This training course provides both strategic and practical insights into the 3 critical phases of Contract Management that are essential skill sets in developing and implementing the strategies required for continuous improvement.

## PROGRAM OUTLINE

### Pre-Contract Phase

- Major Stages and Steps in the Project-Contracting Life Cycle
- Standards of Ethical Practice
- Elements and Importance of a Good Procurement and Tendering Process
- Strategic Procurement-Moving from the Tactical to Strategic
- The Critical Spend Profile and ABC Analysis
- The Importance and Objectives of The Contract
- Types of Statement of Work

### Pre-Contract Phase Continued

- Risk Assessment
- Managing project and contract risk
- Basic Contract Types
- Economic Price adjustments
- Use of Producer Price Indexes
- Developing Tender Evaluation Criteria
- Contractor Qualification Best Practices

### Contract Execution Phase

- Applying the value model of Total Cost of Ownership
  - Elements of Cost that Make up a Price
  - What is a Fair and Reasonable Profit
  - Requesting Cost Breakdowns and Evaluations of Cost Breakdowns
  - Negotiation Preparation
  - Terms and Conditions Check Lists
  - The Important Entire Agreement Clause
  - Clauses for Spare Parts
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## Contract Execution Phase Continued

- Inspection, Acceptance, Rejection
- Warranty Clauses for Defects In Material And Workmanship
- Force Majeure, and how this is developing in the modern world
- Applicable Law
- How to deal with Contract Changes, Variations, Deviations
- Payment Considerations
- Methods of Payment
- Advance Payments
- Progress Payments
- Letters of Intent
- Types of Bonds and Guarantees

## Post Award Phase

- Contract Administration
  - Monitoring Performance, Status and Expediting
  - Buyers Rights before Performance is Due
  - Penalty / Liquidated Damages Clause – Delay and other matters
  - How Contracts May End – Expiry, termination for convenience, termination for breach
  - What Constitutes A Breach?
  - Remedies For Breach Of Contract
  - Claims and Disputes Resolution Provisions
  - Final Contract Review and Close Out Process
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